

Testimony of Randal O'Toole, Cato Institute
on the Federal Lands Recreation Enhancement Act
before the
Subcommittee on Public Lands and Environmental Regulation
Natural Resources Committee
U.S. House of Representatives
June 18, 2013

Thank you, Mr. Chairman and members of the subcommittee, for inviting me to testify today about the Federal Lands Recreation Enhancement Act of 2004. As it happens, before I was informed of this hearing, I had written a paper on this subject that the Cato Institute is releasing today, and I ask that this paper be included as a part of my testimony.

The Recreation Enhancement Act effectively prohibited the Forest Service, Bureau of Land Management, and Bureau of Reclamation from charging fees for dispersed recreation, as a result of which recreation is free on more than 98 percent of the lands managed by these agencies. While the law allows entrance fees on national parks and wildlife refuges, charging a single fee to cover all the many and varied recreation experiences on these lands makes no more sense than for a grocery or clothing store to try to earn its income from single entrance fee.

I will argue today that when Congress reauthorizes this law, it should allow and encourage all federal land agencies to charge fair market value for all forms of recreation. Furthermore, the agencies that collect the fees should be allowed to keep just half of those fees, while the other half should go to the U.S. Treasury as compensation for present and past appropriations for public land management.

In making these arguments, I am wearing three different hats. First is my hat as senior fellow for the Cato Institute, the nation's premiere free-market think tank. As a free-market advocate, I know that user fees will do more than merely help cover the costs of public land management. Although that is a nice bonus, the real role of user fees is to create incentives for both users and resource managers. Those incentives will insure, for example, that users will not overuse resources and that managers will create new opportunities for recreation.

A 1990 Forest Service report estimated that, at "market-clearing prices," the value of national forest recreation was three times greater than the value of all other national forest resources combined. Even if these estimates were wildly inflated, recreation fees should be enough to completely cover the annual appropriations to most of these agencies. Such fees would obviously create significant incentives for land managers to cater to recreation users.

At the same time, there is no reason to expect that these fees would be a burden on recreation users. Americans today spend more than \$650 billion a year on outdoor recreation, and market-rate fees would amount to no more than 3 percent of this total.

My second hat is as an environmentalist. Some may say, "He can't be an environmentalist; he works for the 'evil' Koch brothers!" In fact, I have never met the Koch brothers and have no idea how they feel about recreation fees. But I have met the heads and funders of many of the nation's leading environmental groups, as during the 1980s I worked for the nation's leading environmental think tank dedicated to national forest issues.

In that capacity, I was hired by many of the nation's major environmental groups, including the Audubon Society, Greenpeace, National Wildlife Federation, Natural Resources Defense Council, Sierra Club, and the Wilderness Society, to write more than 100 different research papers and reports. My work was covered in *Newsweek* and *U.S. News & World Reports* and led one Forest Service official to tell a reporter, "Randal O'Toole has had more influence on the Forest Service than all of the environmental groups combined."

As an environmentalist, I want to protect habitat for endangered species and other fish and wildlife; healthy natural ecosystems; and clean rivers and streams. But my research in the 1980s found that the best way to protect these resources is through incentives, not mandates, and that the best incentives are created by user fees. Of all potential public land user fees, fees from dispersed recreationists provide the best proxy for these resources. Thus, allowing agencies to charge for dispersed recreation will effectively create incentives for managers to protect wildlife habitat, natural ecosystems, and water quality.

My third hat is as a recreationist. I live 500 feet from a national forest boundary; I cross-country ski, bicycle, and hike hundreds of miles a year on federal lands; and I have seen the effects of pinched budgets on recreation facilities. Dispersed recreation fees can help correct these problems and encourage federal land managers to create new opportunities for recreation.

Fees will do more than just improve recreation on federal lands, however. The federal government owns close to half the lands in the West, which means it sets the price for many resources. If it gives away dispersed recreation, other landowners will have little incentive to offer such recreation on their lands.

We know from experiences in the South, where federal lands are much less extensive, that when private landowners charge fees, the revenues they collect lead them to greatly alter their land-management practices in order to make their lands more attractive to recreationists. This includes going far beyond legal requirements to protect endangered species and other wildlife habitat and water quality. User fees for dispersed recreation on federal lands in the West would encourage other landowners to charge such fees, thus possibly doubling the opportunities for recreation.

One question raised by my recommendations is why should the agencies get to keep half of recreation fees, instead of all of the fees as they do under the Recreation Enhancement Act. My research has shown that allowing agencies to keep all fees on top of receiving appropriations for resource management gives those agencies incentives to

overuse the resources. On the other hand, allowing them to keep no fees gives them no incentive to protect the resource. While 50 percent is somewhat arbitrary, it should be enough to create powerful incentives without promoting overuse.

Opponents of dispersed recreation fees make several arguments why they are special and should be allowed free access to public lands while all other public land users have to pay for what they use. I address these arguments in detail in my Cato paper. But my real argument for dispersed recreation fees is that everyone will benefit from such fees, including taxpayers, public lands, and recreationists themselves.